

Senate File 2137 - Introduced

SENATE FILE 2137

BY SENG

A BILL FOR

1 An Act relating to certain property taxes for joint county-city
2 buildings and including applicability provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 331.424, subsection 1, paragraph
2 a, subparagraph (5), Code 2011, is amended by striking the
3 subparagraph.

4 Sec. 2. Section 331.430, Code 2011, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 6. The taxes realized from the tax levy
7 imposed under section 346.27, subsection 22, for a joint
8 county-city building shall be deposited into a separate account
9 in the county's debt service fund for the payment of the
10 annual rent and shall be disbursed pursuant to section 346.27,
11 subsection 22.

12 Sec. 3. Section 346.27, subsection 22, Code 2011, is amended
13 to read as follows:

14 22. When an incorporating unit enters into a lease with
15 the authority, the governing body of the incorporating unit
16 shall provide by ordinance or resolution for the levy and
17 collection of a direct annual tax sufficient to pay the annual
18 rent payable under the lease as and when it becomes due and
19 payable. The tax shall be levied and collected in like manner
20 with the other taxes of the incorporating unit and shall be in
21 addition to all other taxes authorized to be levied by that
22 incorporating unit. This tax shall not be included within and
23 shall be in addition to any statutory limitation of rate or
24 amount for that incorporating unit. The ~~fund~~ taxes realized
25 from the tax levy shall be ~~set aside~~ deposited into an account
26 in the debt service fund of the incorporating unit for the
27 payment of the annual rent and shall not be disbursed for any
28 other purpose until the annual rental has been paid in full.

29 Sec. 4. Section 384.4, Code 2011, is amended by adding the
30 following new subsection:

31 NEW SUBSECTION. 4. The taxes realized from the tax levy
32 imposed under section 346.27, subsection 22, for a joint
33 county-city building shall be deposited into a separate
34 account in the city's debt service fund for the payment of the
35 annual rent and shall be disbursed pursuant to section 346.27,

1 subsection 22.

2 Sec. 5. Section 384.12, subsection 15, Code 2011, is amended
3 by striking the subsection.

4 Sec. 6. Section 403.19, subsection 2, Code Supplement 2011,
5 is amended to read as follows:

6 2. That portion of the taxes each year in excess of such
7 amount shall be allocated to and when collected be paid into
8 a special fund of the municipality to pay the principal of
9 and interest on loans, moneys advanced to, or indebtedness,
10 whether funded, refunded, assumed, or otherwise, including
11 bonds issued under the authority of section 403.9, subsection
12 1, incurred by the municipality to finance or refinance, in
13 whole or in part, an urban renewal project within the area,
14 and to provide assistance for low and moderate income family
15 housing as provided in section 403.22, ~~except that.~~ However,
16 taxes for the regular and voter-approved physical plant and
17 equipment levy of a school district imposed pursuant to section
18 298.2, and taxes for the payment of bonds and interest of
19 each taxing district must, and taxes imposed under section
20 346.27, subsection 22, related to joint county-city buildings
21 shall be collected against all taxable property within the
22 taxing district without limitation by the provisions of this
23 subsection. However, all or a portion of the taxes for the
24 physical plant and equipment levy shall be paid by the school
25 district to the municipality if the auditor certifies to the
26 school district by July 1 the amount of such levy that is
27 necessary to pay the principal and interest on bonds issued
28 by the municipality to finance an urban renewal project,
29 which bonds were issued before July 1, 2001. Indebtedness
30 incurred to refund bonds issued prior to July 1, 2001, shall
31 not be included in the certification. Such school district
32 shall pay over the amount certified by November 1 and May
33 1 of the fiscal year following certification to the school
34 district. Unless and until the total assessed valuation of
35 the taxable property in an urban renewal area exceeds the

1 total assessed value of the taxable property in such area as
 2 shown by the last equalized assessment roll referred to in
 3 subsection 1, all of the taxes levied and collected upon the
 4 taxable property in the urban renewal area shall be paid into
 5 the funds for the respective taxing districts as taxes by
 6 or for the taxing districts in the same manner as all other
 7 property taxes. When such loans, advances, indebtedness, and
 8 bonds, if any, and interest thereon, have been paid, all moneys
 9 thereafter received from taxes upon the taxable property in
 10 such urban renewal area shall be paid into the funds for the
 11 respective taxing districts in the same manner as taxes on all
 12 other property. In those instances where a school district
 13 has entered into an agreement pursuant to section 279.64 for
 14 sharing of school district taxes levied and collected from
 15 valuation described in this subsection and released to the
 16 school district, the school district shall transfer the taxes
 17 as provided in the agreement.

18 Sec. 7. APPLICABILITY. This Act applies to property taxes
 19 due and payable in fiscal years beginning on or after July 1,
 20 2013.

21 EXPLANATION

22 Current Code section 346.27 allows a county along with
 23 its county seat to establish an authority for the purpose of
 24 acquiring, constructing, demolishing, improving, enlarging,
 25 equipping, furnishing, repairing, maintaining, and operating
 26 a public building for the joint use of the county and city or
 27 any school district which is within or is a part of the county
 28 or city. The authority then leases the building to the county
 29 and city. Current Code section 346.27(22) authorizes each such
 30 county and city to levy and collect property tax sufficient
 31 to pay the annual rent payable under the lease as and when it
 32 becomes due and payable.

33 This bill specifies that taxes realized from the tax levy
 34 imposed by a county or city under Code section 346.27(22) for a
 35 joint county-city building shall be deposited into a separate

1 account in the applicable county or city debt service fund for
2 the payment of the annual rent.

3 The bill also removes such tax levies from inclusion within
4 the county supplemental levy under Code section 331.424 and the
5 city additional tax under Code section 384.12.

6 The bill excludes the property taxes levied and collected
7 for the purpose of Code section 346.27(22) from a division of
8 revenue (tax increment financing) under Code section 403.19.

9 The bill applies to property taxes due and payable in fiscal
10 years beginning on or after July 1, 2013.